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20 UNITED STATES DISTRICT COURT
 21 NORTHERN DISTRICT OF CALIFORNIA
 22 SAN JOSE DIVISION

23 JENS ERIK SORENSEN, as Trustee of
 24 SORENSEN RESEARCH AND
 25 DEVELOPMENT TRUST,

26 Plaintiff,

27 v.

28 LEXAR MEDIA, INC., a Delaware corporation;
 and DOES 1 - 100,

Defendants.

Case No. C08-00095 JW RS

RESPONSE TO PLAINTIFF'S
 SUPPLEMENTAL BRIEF IN SUPPORT
 OF PLAINTIFF'S MOTION FOR
 APPLICATION OF 35 U.S.C. § 295
 PRESUMPTION OF INFRINGEMENT

Date: September 12, 2008
 Time: 10:00 a.m.
 Courtroom: 8, 4th Floor
 Judge: Hon. James Ware

1 TABLE OF CONTENTS

	Page
I. LEXAR HAS BEEN DILIGENT IN DISCOVERY	1
A. Lexar Has Diligently Pursued Information Describing The Processes Used By The Manufacturers	2
1. Lexar's Initial Response To Sorensen's Discovery Requests Accurately Reflected The Information Available At The Time Of The Response	2
2. Lexar Diligently Pursued All Potential Sources Of Additional Information	4
3. Lexar Timely Provided Sorensen With Any Additional Information It Had Discovered During Its Investigations	5
4. Sorensen's Argument That Lexar's Diligent Investigation And Subsequent Supplementation Of Discovery Responses Constitutes Delay Is Baseless	7
B. Lexar Has Been Diligent In Identifying The Manufacturers	8
1. Lexar Diligently Pursued And Timely Disclosed Information Identifying The Manufacturers	8
2. Sorensen's Arguments Concerning The Timeliness Of The Disclosure Of Fourté Are Irrelevant To This Motion	9
II. SORENSEN HAS FAILED TO MAKE A REASONABLE EFFORT TO DISCOVER THE PROCESS USED TO MAKE THE HOUSING	10
A. Sorensen Has Not Diligently Pursued Discovery In This Case	10
III. SORENSEN CANNOT ESTABLISH A SUBSTANTIAL LIKELIHOOD OF INFRINGEMENT	13
A. Courts Have Consistently Required Claim Construction To Occur Prior To A Determination Under 35 U.S.C. § 295	14
B. Whether A Substantial Likelihood Of Infringement Exists Cannot Be Determined Without Construing The Claims	14
IV. CONCLUSION	15

1 TABLE OF AUTHORITIES
2

3

4 CASES
56 *Kemin Foods, L.C. v. Pigmentos Vegetales del Centro S.A. de C.V.*
7 No. 4:02-cv-40327 (Dkt # 201) (S.D. Iowa Aug. 27, 2004)..... 11, 12, 14
89 STATUTES
1011 35 U.S.C. § 295..... passim
12 Fed. R. Civ. P. 26(e)(1)..... 2
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1718
19
20
21
22
23
24
25
26
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1 Sorensen, in his Supplemental Brief in Support of Plaintiff's Motion for
2 Application of 35 U.S.C. § 295 Presumption of Infringement ("Supplemental Brief"), attacks
3 Lexar Media, Inc. ("Lexar") for doing the very thing that parties are supposed to do in
4 litigation—investigate the factual issues in the case, provide the results of that investigation in
5 response to discovery requests, and supplement or correct the discovery responses when
6 additional material information comes to light. Because Sorensen cannot make a case on the
7 merits that § 295 applies, he resorts to accusing Lexar of numerous discovery abuses and
8 improper conduct. But a closer look at the facts shows that, far from delaying discovery,
9 engaging in improper activities, or playing games, Lexar has faithfully fulfilled its obligations in
10 this case.

11 In contrast, Sorensen has done little to pursue discovery in this case, and has
12 rejected opportunities for additional discovery that he has admitted would be useful. Because
13 Lexar's responses to discovery demonstrate that further discovery and investigation by Sorensen
14 regarding the accused process would be meaningful and fruitful, and because Sorensen cannot
15 show, at this stage of the litigation, that a substantial likelihood of infringement exists, Plaintiff's
16 Motion for Application of 35 U.S.C. § 295 Presumption of Infringement ("Motion for
17 Presumption") should be denied.

18 **I. LEXAR HAS BEEN DILIGENT IN DISCOVERY**

19 Lexar has, during the course of this nascent litigation, diligently responded to
20 Sorensen's discovery requests. As Lexar does not itself make the accused flash drive housing and
21 does not specify the process used by its suppliers, Lexar has had to seek such information from
22 others. Even after its initial response's to Sorensen's discovery requests, Lexar continued to
23 pursue possible additional sources of information regarding the processes used to manufacture the
24 flash drive housing at issue in this case. When additional information was found, Lexar timely
25 provided the additional information to Sorensen. To have Sorensen turn around and, based on
26 Lexar's cooperation, accuse Lexar of misrepresentations and "discovery games" is absurd.

27

28

1 **A. Lexar Has Diligently Pursued Information Describing The Processes Used By**
 2 **The Manufacturers**

3 Lexar has been diligent in providing Sorensen with information concerning the
 4 processes used by the manufacturers to make the housing. It timely responded to Sorensen's
 5 requests for such information with its understanding of the process at the time and conducted
 6 further investigations to confirm its understanding. To the extent it gained additional knowledge
 7 during its investigation, it supplemented the information it had previously provided to Sorensen,
 8 as outlined in Fed. R. Civ. P. 26(e)(1). As a complete history of Lexar's actions will show, Lexar
 9 has gone above and beyond what is required by the Federal Rules in cooperating with Sorensen.
 10 Sorensen's suggestion that Lexar has done otherwise is demonstrably false.

11 **1. Lexar's Initial Response To Sorensen's Discovery Requests Accurately**
 12 **Reflected The Information Available At The Time Of The Response**

13 On July 7, 2008, after being instructed to do so by the Court during the June 30,
 14 2008 hearing, Sorensen served, for the first time, discovery requests on Lexar that seek
 15 information on the process used to manufacture the housing. (Resp. Lee Decl.¹, Exhs. A and B.)
 16 The discovery requests took the form of requests for documents and interrogatories. On July 21,
 17 2008, Sorensen served a request for a deposition of Lexar's Fed. R. Civ. P. 30(b)(6) witness on
 18 the process used to manufacture the housing. (Resp. Lee Decl., Exh. C.) On July 22, 2008,
 19 before a response was due, Lexar produced all the documents it had then identified as containing
 20 information concerning the process used to manufacture the housing. (Resp. Lee Decl. ¶ 2, Exh.
 21 D.) Then, on August 6, 2008, Lexar responded to all three discovery requests. (Suppl. Lee
 22 Decl.², Exh. A; Resp. Lee Decl., Exhs. E and F.) Lexar agreed to have the deposition Sorensen
 23 requested take place on August 22, 2008. (Resp. Lee Decl., Exh. G.)

24
 25 ¹ All references to the Resp. Lee Decl. are to the Declaration of Joseph H. Lee in Support of
 26 Defendant Lexar Media's Response to Plaintiff's Supplemental Brief in Support of Plaintiff's
 27 Motion for Application of 35 U.S.C. § 296 Presumption of Infringement, filed concurrently with
 28 this brief.

2 ² All references to the Suppl. Lee Decl. are to the Declaration of Joseph H. Lee in Support of
 26 Defendant Lexar Media's Supplemental Statement in Opposition to Plaintiff's Motion for
 27 Application of 35 U.S.C. § 295 Presumption of Infringement, filed on August 29, 2008.

1 Lexar's August 6, 2008 response to Sorensen's interrogatories and its production
 2 of documents on July 22, 2008 were based on its knowledge at the time. (*See* Suppl. Lee Decl.,
 3 Exh. A at 6-7.) The basis for its knowledge came mostly from correspondence between Lexar
 4 and Sorensen and also between Lexar and ATG and AMCO prior to the filing of the current suit.
 5 (*Id.*) At the time of the pre-suit discussions with Sorensen, Lexar was represented by both in-
 6 house counsel and Latham & Watkins. (*See* Suppl. Kramer Decl.³, Exh. H.) Those attorneys,
 7 along with other Lexar employees, also were involved in the communications with AMCO and
 8 ATG. (*Id.*) On March 8, 2006, Lexar was acquired by Micron Technology, Inc. ("Micron").
 9 After that acquisition, over the course of time, all the in-house attorneys involved with the pre-
 10 suit discussions with both Sorensen and ATG and AMCO left Lexar, and Micron's legal
 11 department took over responsibility for managing Lexar's dealings with Sorensen. Most of the
 12 Lexar employees involved in the discussions also left Lexar. And Weil, Gotshal & Manges,
 13 Lexar's current counsel for this case, first became involved in representing Lexar shortly after
 14 Sorensen filed suit. (Resp. Lee Decl. ¶ 3.)

15 Because of the departure of most of the individuals who had been involved in the
 16 pre-suit discussions, Lexar and its current counsel relied heavily on the documents that were
 17 previously identified as relevant to this case. Lexar also reviewed the contents of the files kept by
 18 Lexar's prior counsel regarding the Sorensen matter. (Resp. Lee Decl. ¶ 4.) In addition, on June
 19 10th and 11th, Lexar's outside counsel and Micron's in-house counsel visited Lexar to interview
 20 individuals who may have had knowledge relevant to the issues in this case. (Resp. Lee Decl.
 21 ¶ 5.) Based on the information in the previously described documents and the information
 22 provided by Lexar's employees, Lexar understood that the two identified manufacturers—AMCO
 23 and ATG—used the same process. Accordingly, Lexar responded to Sorensen's interrogatory
 24 asking Lexar to "[d]escribe, step-by-step, the manufacturing process used for the [housing]" with
 25 a description of the process supplied by ATG. (Suppl. Lee Decl., Exh. A at 5-6.) Lexar
 26 additionally replied that its investigation was on-going and that it would supplement its answer as

27 ³ All references to the Suppl. Kramer Decl. are to the Declaration of Melody Kramer in Support
 28 of Supplemental Brief to Plaintiff's Motion For Application of 35 U.S.C. § 295 Presumption of
 Infringement, filed under seal.

1 appropriate. (*Id.*) On July 22, 2008, Lexar also produced the documents it had then identified
 2 that described the process, and identified those documents to Sorensen in its response to
 3 Sorensen's interrogatory requesting the basis for its description of the process. (*Id.* at 6-7.) In
 4 short, Lexar's initial response to Sorensen's interrogatory and document requests was made in
 5 good faith and reflected the knowledge it had at the time.

6 **2. Lexar Diligently Pursued All Potential Sources Of Additional
 7 Information**

8 Despite answering Sorensen's interrogatory with the knowledge it had at the time,
 9 Lexar pursued additional information. This included searching for additional responsive
 10 documents, interviewing individuals that may have had knowledge of the process, and visiting
 11 and inspecting the tools and facilities involved in manufacturing the housing.

12 On August 8, 2008, Lexar's outside counsel visited ATG in Taiwan. (Resp. Lee
 13 Decl. ¶ 6.) During that visit, Lexar's counsel interviewed individuals with knowledge of the
 14 process used to make the housing and inspected the molds and injection molding machines used
 15 to make the housing. (*Id.*) As part of the inspection, Lexar's counsel took numerous pictures of
 16 the molds and injection molding machines used to make the housing and recorded video of the
 17 injection molding machine in operation.⁴ (*Id.*) During the interviews, Lexar sought additional
 18 information regarding the process, as well as other information responsive to Sorensen's
 19 document requests, such as information regarding ownership of the tooling, the identification of
 20 additional entities involved in the manufacture of the housing, and the location where the housing
 21 was manufactured. (*Id.*) Lexar also asked ATG to suggest potential dates for Sorensen to
 22 inspect the tooling. (*Id.*)

23 On August 10th and 11th, Lexar visited with AMCO in China. (Resp. Lee Decl.
 24 ¶ 7.) During that visit, Lexar interviewed individuals with knowledge of the process used to
 25 make the housing and inspected the molds and injection molding machines used to make the

26
 27 ⁴ As the flash drive housing at issue in this case is no longer being manufactured, the video
 28 recorded the injection molding machine manufacturing a product unrelated to this case. To
 Lexar's understanding, however, there was no relevant difference in the operation of the machine
 during manufacture of the housing at issue in this case.

1 housing. As part of the inspection, Lexar's counsel took numerous pictures of the molds and
 2 injection molding machines used to make the housing. (*Id.*) During the interviews, Lexar sought
 3 additional information regarding the process, as well as other information responsive to
 4 Sorensen's document requests, such as information regarding ownership of the tooling, the
 5 identification of additional entities involved in the manufacture of the housing, and the location
 6 where the housing was manufactured. (*Id.*) Lexar also asked AMCO to suggest potential dates
 7 for Sorensen to inspect the tooling. (*Id.*) It is during this visit that Lexar learned that its prior
 8 understanding regarding AMCO's process was incorrect, and that AMCO's process for making
 9 the housing was different from ATG's process. (Resp. Lee Decl. ¶ 8.)

10 After returning from the trip to Asia to visit the suppliers, Lexar's counsel
 11 reviewed documents collected from ATG and AMCO, as well as additional documents collected
 12 from Lexar which were uncovered after additional searching. (Resp. Lee Decl. ¶ 9.) Ultimately,
 13 Lexar collected and reviewed thousands of pages of documents. (*Id.*)

14 Far from delaying discovery, Lexar, in the two months since the June 30, 2008
 15 hearing, reviewed thousands of pages of documents, interviewed numerous individuals with
 16 possible knowledge of the process, and flew to China and Taiwan to obtain additional information
 17 and inspect the manufacturing tools and facilities.

18 **3. Lexar Timely Provided Sorensen With Additional Information It Had
 19 Discovered During Its Investigations**

20 On August 14, 2008, during a meet and confer regarding discovery issues, Lexar
 21 informed Sorensen that additional documents would shortly be forthcoming. (Resp. Lee Decl.
 22 ¶ 10.) On August 19, 2008, Lexar completed its review of the additional documents collected
 23 from Lexar, AMCO, and ATG and produced them to Sorensen. (Resp. Lee Decl., Exh. H.)
 24 During the course of that review, Lexar discovered that additional emails existed between Lexar
 25 and AMCO. (Resp. Lee Decl. ¶ 11.) These emails were produced along with all the other
 26 documents (with two exceptions) on August 19th. (*Id.*) On August 20, 2008, one of the
 27 exceptions—the video of the injection molding machine used by ATG—was produced. (Resp.
 28 Lee Decl., Exh. I.) On August 27, 2008, the other exception—a spreadsheet showing the number

1 of housing sets supplied by each manufacturer—was produced. (Resp. Lee Decl., Exh. J.)

2 After reviewing the documents for production and after the trip to Taiwan and
3 China, Lexar prepared Ton Nguyen, its 30(b)(6) witness on the manufacturing processes, for the
4 deposition to take place on August 22, 2008. In preparation for that deposition, Mr. Nguyen
5 reviewed the pictures and video taken of the tooling and the documents provided by the housing
6 suppliers, and also discussed the processes with individuals at AMCO and ATG, as well as with
7 Ezequiel Ramirez, a former Lexar employee. (Resp. Lee Decl. ¶ 12.) During the deposition, Mr.
8 Nguyen testified as to the process used by the suppliers and specifically mentioned the
9 differences between ATG's and AMCO's process. (See, e.g., Suppl. Lee Decl., Exh. C, at 13:7-
10 11, 34:11-35:24, 54:22-55:3, 56:15-25, 58:3-60:6, and 68:14-16 (excerpts of the August 22, 2008
11 deposition of Lexar's 30(b)(6) representative) (filed under seal).)

12 During the discussions between Mr. Nguyen and ATG regarding the process used
13 by ATG to manufacture the housing, ATG offered September 1st or 2nd as possible dates for
14 Sorensen to inspect the tooling. (Resp. Lee Decl. ¶ 13.) Immediately after the conclusion of the
15 deposition, Mr. Kudlac offered Michael Kaler, the Sorensen attorney taking the deposition, the
16 dates that ATG had suggested for a visit. (Suppl. Kramer Decl., Exh. P.) Lexar followed up Mr.
17 Kudlac's verbal offer with a letter. (*Id.*) Sorensen rejected the offer because of the timing of the
18 inspection. (Suppl. Kramer Decl., Exh. Q.) In reply, Lexar offered to work with Sorensen to
19 select a mutually agreeable date for inspection. (Suppl. Kramer Decl., Exh. N.) Sorensen has not
20 yet suggested alternative dates for an inspection. (Resp. Lee Decl. ¶ 16.)

21 Once the review of documents and the preparation of Lexar's 30(b)(6) witness was
22 completed, Lexar turned to supplementing its interrogatory responses. On August 28, 2008,
23 Lexar provided supplemental interrogatory responses reflecting the knowledge it had gained since
24 it had served its original responses three weeks previously, on August 6, 2008. (Suppl. Lee Decl.,
25 Exh. B.) This knowledge included detailed descriptions of the manufacturing process of all the
26 suppliers and identification of additional individuals that may have knowledge of the accused
27 process, much of which had been previously provided to Sorensen via document production and
28 the deposition of Mr. Nguyen. (*Id.* at 3-12.)

1 From Lexar's initial response to its supplemental response, only twenty-two days
 2 had passed, with much of the information being supplied earlier in the timeframe. During those
 3 twenty-two days, Lexar collected, reviewed, and produced additional documents; interviewed
 4 individuals with knowledge of the process and incorporated any additional information into its
 5 supplemental responses; visited its suppliers in Asia; and provided a witness for a deposition on
 6 the processes used to manufacture the housing. To characterize this as delay is simply wrong.

7 **4. Sorensen's Argument That Lexar's Diligent Investigation And**
 8 **Subsequent Supplementation Of Discovery Responses Constitutes**
Delay Is Baseless

9 As has been described in ample detail above, Lexar has, from the start, diligently
 10 pursued any leads that would help it respond to Sorensen's discovery requests.⁵ Sorensen
 11 essentially argues that because Lexar has continued its investigation after providing an initial
 12 response to Sorensen's discovery requests and thereafter provided Sorensen with the additional
 13 information, it has played "discovery games" and has "delayed every aspect of [Sorensen's]
 14 discovery." It cannot be the case that Lexar's continued efforts to investigate and supplement
 15 discovery responses makes its earlier responses deceptive or indicates that Lexar is playing
 16 "discovery games."

17 Furthermore, not only does Sorensen's argument unjustifiably assail the integrity
 18 of Lexar and its counsel, it fails to address how Sorensen is harmed by Lexar's actions during
 19 discovery. Sorensen now has the additional documents (including pictures and video) produced
 20 by Lexar, the supplemental interrogatory responses, and the testimony of Lexar's 30(b)(6)
 21 witness. Lexar has offered to work with Sorensen to arrange for inspections. Sorensen has not
 22 been prejudiced in the least.

23 This case is in its infancy. Sorensen received the information in plenty of time for
 24 his expert to incorporate it into his analysis regarding whether there is a substantial likelihood of
 25 infringement.⁶ Furthermore, Sorensen has yet to serve his preliminary infringement contentions

26 ⁵ Lexar confirmed that Fourté was a supplier of the housing in early August. As with AMCO and
 27 ATG, Lexar intends to further investigate Fourté's involvement in manufacturing the housing.

28 ⁶ Of note, Sorensen flatly misstates the terms of the Protective Order when he says that the
 confidentiality designation of documents Lexar produced delayed the ability of his expert to
 review it. *See Protective Order 7.3(c)* (listing experts as one category of persons that can review

1 under the Patent Local Rules, so this new information can be fully incorporated into any
 2 arguments regarding infringement he chooses to make. Discovery has just begun, so Sorensen
 3 similarly has plenty of opportunity to follow-up on any additional discovery prompted by the
 4 additional disclosures. Sorensen cannot show any prejudice from Lexar's actions during
 5 discovery because no prejudice exists.

6 **B. Lexar Has Been Diligent In Identifying The Manufacturers**

7 Sorensen's argument concerning the timing of disclosures related to the identity of
 8 the manufacturers is similarly flawed. Lexar responded with the knowledge available to it at the
 9 time, diligently pursued additional sources of information, and timely supplemented its responses
 10 as additional information was uncovered. Furthermore, much of what Sorensen complains about
 11 is completely irrelevant to his Motion for Presumption, because 35 U.S.C. § 295 cannot be
 12 applied to Fourté, a U.S.-based company with manufacturing facilities in the United States.

13 **1. Lexar Diligently Pursued And Timely Disclosed Information
 14 Identifying The Manufacturers**

15 Similar to the timeline of events surrounding Lexar's investigation and disclosure
 16 of information regarding the process used to make the housing, a description of the steps Lexar
 17 took to identify suppliers reveals just how diligent Lexar was.

18 On May 22, 2008, Sorensen served his first set of interrogatories. (Resp. Lee
 19 Decl., Exh. K.) One of the interrogatories asked for the identities of the manufacturers of the
 20 housing; another asked for the identities of Lexar employees with knowledge of the manufacture,
 21 import, sale and/or offer for sale of the housing.⁷ (*Id.* at 5-6.) On June 23, 2008, the parties
 22 agreed to extend the time for a response to both Sorensen's first set of interrogatories as well as
 23 Lexar's First Set of Requests for Production and First Set of Interrogatories by two weeks, in part
 24 because a protective order had not yet been entered in this case. (Resp. Lee Decl., Exh. L.) On
 25 July 7, 2008, per agreement, Lexar responded to Sorensen's first set of interrogatories. (Suppl.
 26 Kramer Decl., Exh. C.) In that response, Lexar identified two suppliers: ATG and AMCO. (*Id.*)

27 material designated "Highly Confidential – Attorneys' Eyes Only").

28 ⁷ The remaining four interrogatories in the first set asked for revenues and number of units
 manufactured, imported, or sold. (Resp. Lee Decl., Exh. K at 5.)

1 Just like with the response to Sorensen's requests concerning the process used to
 2 make the housing, Lexar's response was based on its knowledge at the time it served the
 3 response, including documents that identified ATG and AMCO as suppliers. (Resp. Lee Decl.
 4 ¶ 17.) None of the documents it was aware of at the time of the response identified Fourté as a
 5 third supplier. (*Id.*) Similarly, at the time of the June 30, 2008 hearing, since Lexar was only
 6 aware of ATG and AMCO as suppliers, Lexar's counsel so informed the Court.

7 Lexar continued its investigations regarding the manufacture of the housing and
 8 obtained new information indicating that Fourté was an additional supplier of the housing. (Resp.
 9 Lee Decl. ¶ 18.) Lexar followed up on that information and was able to confirm Fourté as a
 10 supplier through additional documents it obtained after further searching. (*Id.*)

11 Those documents were produced to Sorensen on August 19, 2008 and August 27,
 12 2008. (Resp. Lee Decl., Exhs. H and J.) Lexar's 30(b)(6) witness was also prepared to testify as
 13 to the existence of Fourté and did so in response to questioning on August 22, 2008. (*See, e.g.*,
 14 Suppl. Lee Decl., Exh. C, at 13:7-11 (excerpts of the August 22, 2008 deposition of Lexar's
 15 30(b)(6) representative) (filed under seal).) Finally, Lexar timely amended its response to
 16 Sorensen's interrogatory concerning the identity of the manufacturers on August 28, 2008 to
 17 include not only Fourté, but the subcontractors for ATG and AMCO as well as the entity used by
 18 ATG for purposes of receiving the housing purchase orders.⁸ (Suppl. Kramer Decl., Exh. G.)

19 **2. Sorensen's Arguments Concerning The Timeliness Of The Disclosure
 20 Of Fourté Are Irrelevant To This Motion**

21 Fourté is a U.S.-based company. Lexar understands that Fourté manufactured the
 22 housing in the United States. As Sorensen admits, he can subpoena Fourté directly if he wishes to
 23 obtain discovery from it. As explained in Lexar's Supplemental Statement in Opposition to
 24 Plaintiff's Motion for Presumption ("Supplemental Statement"), 35 U.S.C. § 295 is not intended
 25 to apply when the manufacturer has operations in the United States. S. Rep. No. 100-83, at 33

26 ⁸ Sorensen's complaint about the timing of the disclosure of "additional manufacturers" is without
 27 merit. Uni Power is a subsidiary or sister company of ATG and Summlux produced the housing
 28 on behalf of ATG. Nishoku produced the housing on behalf of AMCO. For purposes of
 determining the manufacturing process, ATG, Uni Power and Summlux can be treated as a single
 manufacturer, as can AMCO and Nishoku.

1 (1987) (Declaration of Joseph H. Lee in Support of Defendant Lexar Media's Opposition to
 2 Plaintiff's Motion for Application of 35 U.S.C. § 295 Presumption of Infringement, Exh. D, at
 3 33) (filed on 6/9/08) (the "rebuttable presumption would be inapplicable if the defendant has used
 4 the process in the United States, or has derived the products directly or indirectly from a
 5 manufacturer who used the process in the United States."). Sorensen contention that Lexar's
 6 disclosure of Fourté comes too late is baseless, given that Lexar timely amended its interrogatory
 7 response and given that discovery is in its infancy.

8 **II. SORENSEN HAS FAILED TO MAKE A REASONABLE EFFORT TO
 9 DISCOVER THE PROCESS USED TO MAKE THE HOUSING**

10 It is clear why Sorensen is making such baseless arguments. He is hoping to avoid
 11 the real work that is a part of every litigation: obtaining discovery. Sorensen cannot continue to
 12 avoid the burdens involved in conducting discovery by invoking 35 U.S.C. § 295. His attempt to
 13 avoid the costs associated with litigation cannot constitute reasonable efforts.

14 **A. Sorensen Has Not Diligently Pursued Discovery In This Case**

15 Sorensen attempts to cover its failure to pursue more than cursory discovery by
 16 manufacturing an issue regarding the timeliness of Lexar's responses should be seen for the sham
 17 it is. Far from being diligent and making a reasonable effort to determine the process used to
 18 make the housing, Sorensen returns to the demonstrably baseless arguments of its Motion for
 19 Presumption regarding the alleged futility of discovery. But Sorensen's arguments are even more
 20 flawed now than when he first made them.

21 Until directed by the Court at the June 30, 2008 hearing, Sorensen had not even
 22 served a single discovery request which inquired about the details of the process used to
 23 manufacture the housing. Sorensen has yet to formally request an inspection of the tooling, and
 24 despite mentioning the desire to conduct such an inspection at the hearing, turned down Lexar's
 25 initial offer of an inspection, and has yet to respond to Lexar's subsequent offer. Despite being
 26 provided with the names of several individuals with knowledge of the housing, including how it
 27 was made, Sorensen has yet to request depositions of those individuals. Despite being provided
 28 with the names of the manufacturers, including manufacturers with offices in the United States, to

1 the best of Lexar's knowledge Sorensen has yet to serve discovery on those manufacturers. Of
 2 course, Sorensen has discretion as to whether he wishes to do any of the things he has not yet
 3 done, and it may turn out during the course of discovery that he will do some or all of these
 4 things. But if he chooses to rest on what he has done to date, he cannot then argue that he has
 5 made a reasonable effort to determine the process used to make the housing.

6 Sorensen, instead of doing the work that is necessary to constitute a reasonable
 7 effort, hides behind the Order on Plaintiff's Motion to Apply 35 U.S.C. § 295 from *Kemin Foods*,
 8 *L.C. v. Pigmentos Vegetales del Centro S.A. de C.V.* ("Kemin Order") in support of his Motion for
 9 Presumption. No. 4:02-cv-40327 (Dkt # 201) (S.D. Iowa Aug. 27, 2004) (filed as Exhibit A to
 10 the Declaration of Melody Kramer in Support of Supplemental Brief). In *Kemin*, the patentee
 11 Kemin, in seeking to determine the process used by PIVEG, the defendant, requested documents,
 12 inspected the manufacturing plant, and took depositions. *Kemin Order* at 23. Sorensen argues
 13 that he has essentially followed the example of Kemin and should therefore similarly gain the
 14 advantage of § 295. But the issue in *Kemin*, which was decided less than three weeks before trial
 15 and well after the close of discovery, was not whether the discovery Kemin did was fruitful.
 16 Rather, it was whether the discovery done was sufficient to constitute a reasonable effort. And on
 17 that point, a closer look reveals that a vast gulf exists between what Kemin did and what Sorensen
 18 has done. Put simply, Kemin had "followed all of the avenues of discovery likely to uncover the
 19 PIVEG process." *Id.* at 32. Sorensen has not.

20 It is true that, like Kemin, Sorensen has requested documents. But Kemin's
 21 document request produced a single two-page document. *Id.* at 23. PIVEG asserted that those
 22 two pages constituted the entirety of its documents regarding the process. *Id.* In contrast, Lexar
 23 has already provided over a thousand pages and will continue to produce any additional
 24 responsive documents it may find. Lexar has also provided over 300 photographs of the molds
 25 used by ATG and AMCO, as well as video of the machine used by ATG in operation.
 26 Furthermore, in weighing Kemin's efforts regarding document production, the *Kemin* Court
 27 discounted PIVEG's argument that it had produced everything it had on the basis that, if
 28 manufacture had occurred in the United States, additional documentation would be required by

1 U.S. law. *Id.* at 24. The court argued that PIVEG should not gain the benefit of the more relaxed
 2 documentation requirements that exist outside the United States. *Id.* at 24-25. Again, unlike in
 3 *Kemin*, Sorensen has failed to point to any laws, U.S. or otherwise, that would have mandated
 4 documents in addition to those produced by Lexar. The product in *Kemin* was a human food
 5 product, and was therefore governed by Title 21 of the C.F.R., which governs food and drugs.
 6 Title 21 of the C.F.R. is inapplicable to the manufacture of a flash drive housing.

7 Unlike *Kemin*, Sorensen has yet to inspect the tooling, despite being offered an
 8 opportunity to do so. *Kemin* undertook not just one, but two separate inspections of the PIVEG's
 9 facilities. *Id.* at 25. As already noted, Lexar has offered to provide Sorensen with an opportunity
 10 to inspect the tooling used by ATG, which is in Taiwan, where ATG manufactured the housing.⁹
 11 Sorensen rejected Lexar's original offer to inspect the tooling prior to the (originally scheduled)
 12 September 8, 2008 hearing. Lexar then offered to work with Sorensen to determine an alternate
 13 date for inspection. Sorensen has not yet responded to that offer.¹⁰ Until and unless Sorensen
 14 responds to the offer and agrees to inspect the tooling, he cannot be said to have "followed all the
 15 avenues of discovery."

16 Finally, a substantial difference exists between the depositions *Kemin* took and the
 17 deposition Sorensen took. *Kemin* took the deposition of everyone at PIVEG that might have
 18 knowledge of the actual process. *Id.* at 29. In contrast, Sorensen has taken just one deposition,
 19 that of Lexar's 30(b)(6) witness. Lexar has identified at least five additional U.S. residents, in
 20 addition to its 30(b)(6) witness, that may have knowledge of the manufacturing process. Lexar
 21 has also identified nine individuals outside the United States that may have knowledge of the
 22 manufacturing process.¹¹ Not only has Sorensen yet to depose those individuals identified, it has

23 ⁹ Sorensen's reference to the address on a business card as "proof" that ATG manufactured the
 24 housing in China is nonsensical, especially since the very business card Sorensen cites includes
 25 addresses for both China **and** Taiwan. (Suppl. Kramer Decl., Exh. R.)

26 ¹⁰ Sorensen, in his rejection of the initial offer, inquired about having the molds shipped to the
 27 United States. Lexar is willing to look into whether that is possible, but given that each mold set
 28 weighs over one ton, expects the cost for such an arrangement will be substantial. As the
 potentially cheaper alternative of visiting the tooling *in situ* is already available and the expense
 of shipping the tooling is likely to constitute an unreasonable cost, Lexar believes it is appropriate
 for Sorensen to bear the cost of shipping.

¹¹ On this point, Lexar respectfully directs the Court's attention to its initial Opposition to

1 yet to even inquire as to depositions. Furthermore, any argument Sorensen might make that the
 2 deposition of Lexar's 30(b)(6) witness negates the need to depose anyone else overlooks the
 3 nature of a 30(b)(6) deposition. While it is true that Lexar's 30(b)(6) witness is testifying as to
 4 the knowledge of the company, it is not true that such testimony is the limit of the knowledge of
 5 the identified individuals. For example, Ezequiel Ramirez, one of the individuals identified, is no
 6 longer at Lexar. To the extent that Lexar's witness was able to discern Mr. Ramirez's knowledge
 7 regarding the accused process, he did so, but it is quite possible that a deposition of Mr. Ramirez
 8 may yield additional information concerning the process. The same situation applies to the other
 9 witnesses. As a result, Sorensen's failure to depose even a single witness other than Lexar's
 10 30(b)(6) witness cannot constitute a reasonable effort.

11 In the original Motion for Presumption, Sorensen argued that discovery would be
 12 useless. Nevertheless, within the short span of time between the June 30, 2008 hearing and now,
 13 Sorensen was provided with a great deal of information which helped Sorensen determine the
 14 process used to make the housing. Undoubtedly, were Sorensen to pursue the additional avenues
 15 of discovery listed above, it is likely that even more information regarding the process would be
 16 uncovered. Accordingly, Sorensen's repeated argument that there is no point in further discovery
 17 should be rejected.

18 **III. SORENSEN CANNOT ESTABLISH A SUBSTANTIAL LIKELIHOOD OF
 19 INFRINGEMENT**

20 In his Supplemental Brief in Support of Plaintiff's Motion for Presumption
 21 ("Supplemental Brief"), Sorensen repeats his argument that he has been able to show that a
 22 substantial likelihood of infringement exists with respect to the process used by Lexar's suppliers
 23 to manufacture the housing. But his argument regarding this issue is just as flawed now as it was
 24 when he first made it in his opening brief.

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 26
 27 Plaintiff's Motion for Presumption to point out that mechanisms exist to depose Chinese-
 28 nationals despite Chinese law. Furthermore, since many of the identified individuals live or work
 in Taiwan, it is quite possible to depose them without running afoul of any Chinese laws.

1 **A. Courts Have Consistently Required Claim Construction To Occur Prior To A**
 2 **Determination Under 35 U.S.C. § 295**

3 As previously explained in Lexar's Opposition, without a claim construction order,
 4 it is not possible to determine whether a substantial likelihood exists that an accused process
 5 infringes. Sorensen does not dispute Lexar's argument in its Opposition that Sorensen's analysis
 6 of whether the process used to make the housing infringes U.S. Patent No. 4,935,184 ("the '184
 7 patent"), despite an opportunity to do so in his Reply to Lexar's Opposition. Nor does Sorensen
 8 point to a single instance where 35 U.S.C. § 295 was applied without the claims being construed.
 9 In fact, *Kemin*, the very case Sorensen relies on for its belief that § 295 should be applied, heavily
 10 relies on earlier claim construction rulings in determining whether a substantial likelihood of
 11 infringement has occurred. *Id.* at 10 n.13, 12 n.15.

12 **B. Whether A Substantial Likelihood Of Infringement Exists Cannot Be**
 13 **Determined Without Construing The Claims**

14 The need for claim construction is made evident by Sorensen's arguments in his
 15 Supplemental Brief. Sorensen points to the additional discovery relied upon by the defendant and
 16 claims that it shows that a "common mold part" was used. But because the claims have yet to be
 17 construed, his reliance on the unconstrued claim term "common mold part" is flawed. As the
 18 term has not been defined, the Plaintiff's expert, Dr. Petrie, relies on his own construction of that
 19 term when analyzing infringement. Since it is unclear at this stage whether his definition is
 20 correct, any analysis based on that definition is unreliable. Furthermore, Plaintiff's use of quotes
 21 and emphasis whenever the term "common mold part" is used implies that it has a specific
 22 meaning to one of skill in the art, thus making it likely that the term will need to be construed.¹²

23 Even if the specific term "common mold part" does not require construction, claim
 24 construction would still be necessary to determine whether a substantial likelihood of
 25 infringement exists. Sorensen claims that "Lexar's only articulated defense to Plaintiff's

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 27 ¹² Lexar does not argue at this point that "common mold part" requires construction. Rather, it
 28 points out that because claim construction has not yet begun and Sorensen has yet to serve his
 preliminary infringement contentions, Lexar is unable to determine whether "common mold part"
 should be construed.

1 allegation of patent infringement" is dependent on an argument that the process used to make the
 2 housing does not use a 'common mold part.'" Supplemental Brief at 13. Despite Sorensen's
 3 statement, Lexar has pointed out additional possible reasons why the process used to make the
 4 housing does not infringe. *See, e.g.*, Opposition at 5 n.6 (pointing out that Plaintiff has failed to
 5 identify structures in the housing that correspond to a "stabilizing region" or to a "first plastic
 6 material"). But the larger point, which Plaintiff ignores in falsely asserting that Lexar's only
 7 articulated defense is that a "common mold part" does not exist, is that because claim
 8 construction has yet to take place, it is impossible to determine that a substantial likelihood of
 9 infringement exists. At the appropriate point in this litigation, Lexar will present its arguments
 10 that it does not infringe. But Plaintiff has not yet served his preliminary infringement
 11 contentions. Nor have the claim terms been construed. Without such information, Lexar's
 12 noninfringement analysis is incomplete, and it would be premature of Lexar to bring forth such
 13 arguments. It is similarly premature to decide the Motion for Presumption.

14 **IV. CONCLUSION**

15 Sorensen's papers mischaracterize Lexar's actions during discovery. Sorensen
 16 cannot avoid its obligations to expend reasonable effort by pointing to imaginary slights by Lexar.
 17 As Sorensen has failed to expend reasonable effort to discover the processes used to make the
 18 housing and as he has failed to show that there is a substantial likelihood that the housing is made
 19 using an infringing process, Lexar respectfully requests that Sorensen's motion be denied.

20 Dated: September 8, 2008

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